

## C O N F I D E N T I A L

PROCUREMENT DIVISION WEEKLY REPORT FOR  
PERIOD ENDING 2 NOVEMBER 1983

1. Progress Report of Tasks Assigned by the DCI/DDCI:

No tasks assigned during this reporting period.

2. Items or Events of Major Interest that have Occurred During the Preceding Week:

a. Deputy Directorate of Intelligence (DDI) Buyout of NBI Equipment: On 31 October 1983, a meeting was held with Analytic Support Group (ASG/DDI), Director of Data Processing (D/ODP), interested ODP offices and Office of Logistics, Procurement Division, Automatic Data Processing, (OL/PD/ADP) for the purpose of discussing the merits of NBI's unsolicited buyout proposal. Given DDI's current interests and long term word processing plans and the cost savings to be realized over the next four fiscal years, it was agreed that the Government should take advantage of NBI's proposal. The proposed buyout is scheduled to be presented to the Agency Contract Review Board (ACRB) on 15 November 1983.

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b. IBM Hardware Maintenance: Final negotiations were held with IBM representatives on 26 October 1983 for a new IBM hardware maintenance contract for FY84. The special maintenance offering submitted by IBM has been reviewed and accepted by Procurement Division (PD), and Office of Data Processing (ODP). The offering is a one-year test of a service offering which will determine the feasibility of having CIA assume additional systems management responsibilities and establish the effect of such assumption in IBM's service activities (possible better than GSA pricing). The IBM equipment to be covered by this contract will be as follows: CAMS hardware, ODP (Processing) hardware, SAFE/CIA and SAFE/DIA hardware.

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WARNING NOTICE  
INTELLIGENCE SOURCES  
OR METHODS INVOLVED

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25X1 c. Delta Data Systems Corporation: Negotiations with Delta Data were conducted on Thursday, 27 October 1983 for an FY 84 maintenance contract for Delta Data's Electronic Data CRT Terminals utilized by many offices throughout the Agency. Negotiations were successfully completed and resulted in labor rates considerably lower than were negotiated on last years maintenance contract. This will yield a net savings to the Agency of more than \$90,000 on a contract with an estimated value of 1.1 Million Dollars. [redacted]

25X1 d. Xerox Corporation: Preliminary procurement planning discussions were held on 20 October 1983 with representatives from the Office of Data Processing (ODP), Automatic Data Processing and Engineering (ADP&EB) procurement branch and Xerox Corporation in regards to a possible purchase of Xerox Model 2700 Electronic Laser printers. The Agency currently has twenty-eight printers on lease from Xerox. These would possibly be converted to purchase as well as fulfilling projected Agency requirements of one hundred units per year over the next three years. Also, required is TEMPEST Printers for out-building in a projected quantity of thirty per year over the next three years. Xerox is to give the Agency a letter on their pricing strategy and on their plans related to development of a TEMPEST Model. There are several issues to be ironed out, but if the Agency can get the untempested units for less than current GSA Schedule price and if Xerox is willing to develop and sell a TEMPEST model at a reasonable price, procurement of the required laser printers from Xerox may materialize since they are the only source at this time who can meet all of the Agency requirements. [redacted]

25X1 e. Annual Service Contracts: The General Purchasing Branch (GPB/PD/OL) has completed ninety-three percent of all service contracts received so far this fiscal year. The remaining seven percent should be completed and mailed by 4 November 1983. [redacted]

3. Significant Events Anticipated During the Coming Week:

25X1 None.

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